

Medical Center Lease Payments

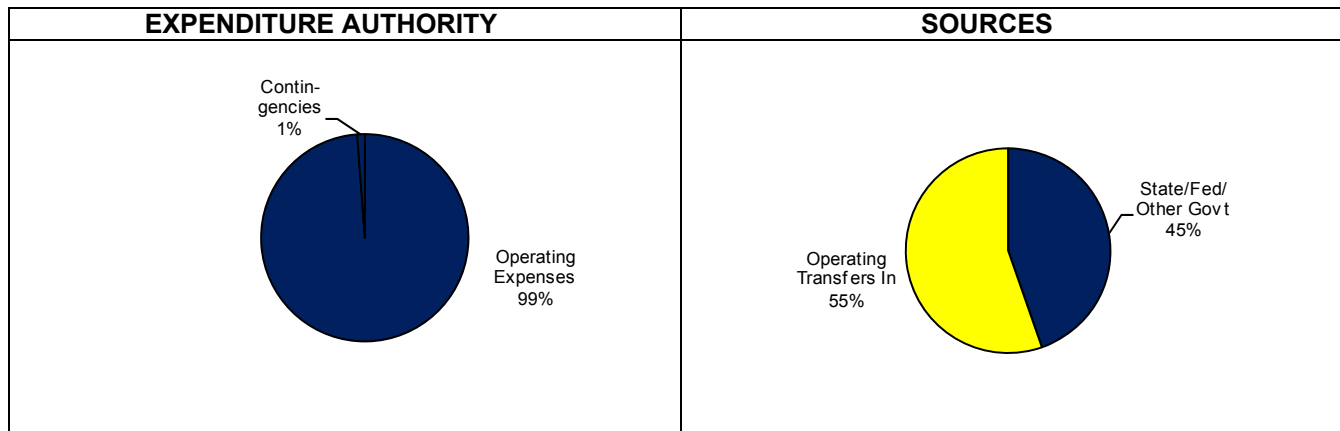
DESCRIPTION OF MAJOR SERVICES

This budget unit funds the cost of long-term lease payments to the Inland Empire Public Facilities Corporation for the Arrowhead Regional Medical Center (ARMC) facility. Funding sources include state revenues from the Construction Renovation/Reimbursement Program (SB 1732) that provides supplemental reimbursement for construction, renovation, or replacement of medical facilities or fixed equipment, operating transfers from ARMC representing Medicare and fee for service revenues, and operating transfers from the general fund backed by Health Realignment revenues and tobacco settlement proceeds.

Budget at a Glance

Total Expenditure Authority	\$42,090,345
Total Sources	\$42,090,345
Net Budget	\$0
Estimated Unrestricted Net Assets	\$172,045
Use of Unrestricted Net Assets	\$172,045
Total Staff	0

2012-13 ADOPTED BUDGET



ANALYSIS OF 2012-13 ADOPTED BUDGET

GROUP: Arrowhead Regional Medical Center
 DEPARTMENT: Arrowhead Regional Medical Center
 FUND: Medical Center Lease Payments

BUDGET UNIT: EMD JPL
 FUNCTION: General
 ACTIVITY: Property Management

	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Actual	2011-12 Final Budget	2012-13 Adopted Budget	Change From 2011-12 Final Budget
Appropriation							
Staffing Expenses	0	0	0	0	0	0	0
Operating Expenses	46,928,209	41,619,740	42,988,658	41,526,830	41,653,763	41,918,300	264,537
Capital Expenditures	0	0	0	0	0	0	0
Contingencies	0	0	0	0	172,045	172,045	0
Total Exp Authority	46,928,209	41,619,740	42,988,658	41,526,830	41,825,808	42,090,345	264,537
Reimbursements	0	0	0	0	0	0	0
Total Appropriation	46,928,209	41,619,740	42,988,658	41,526,830	41,825,808	42,090,345	264,537
Operating Transfers Out	0	0	0	0	0	0	0
Total Requirements	46,928,209	41,619,740	42,988,658	41,526,830	41,825,808	42,090,345	264,537
Departmental Revenue							
Taxes	0	0	0	0	0	0	0
Realignment	0	0	0	0	0	0	0
State, Fed or Gov't Aid	19,544,149	18,985,372	19,500,334	18,820,181	18,825,808	18,791,037	(34,771)
Fee/Rate	0	0	0	0	0	0	0
Other Revenue	971,000	0	0	0	0	0	0
Total Revenue	20,515,149	18,985,372	19,500,334	18,820,181	18,825,808	18,791,037	(34,771)
Operating Transfers In	26,413,060	22,634,368	23,488,324	22,706,649	23,000,000	23,299,308	299,308
Total Financing Sources	46,928,209	41,619,740	42,988,658	41,526,830	41,825,808	42,090,345	264,537
Net Budget	0	0	0	0	0	0	0
Budgeted Staffing					0	0	0

BUDGET CHANGES AND OPERATIONAL IMPACT

Operating expenses is increasing by \$264,537 in accordance with scheduled lease amortization.

State, federal or government aid is decreasing by \$34,771 based on the SB 1732 reimbursement formula.

Operating transfers in is increasing by \$299,308 to pay for increase in operating expenses.

MAJOR EXPENDITURES AND REVENUE IN 2012-13 ADOPTED BUDGET

Operating expenses of \$41,918,300 represent lease payments and associated fees for the ARMC facility.

State, federal or government aid of \$18,791,037 is based on the SB 1732 reimbursement formula. A portion of the medical center lease payments is reimbursed by the state through the Construction Renovation/Reimbursement Program (SB 1732). The amount reimbursed by the state depends on the allowable lease payments multiplied by a rate that is calculated by the state every year. The rate fluctuates based on actual Medi-Cal inpatient days paid to ARMC.

Operating transfers in of \$23.3 million are funded by \$10.7 million of Tobacco Master Settlement Agreement monies and \$4.6 million of Health Realignment. The remaining \$8.0 million represents revenues anticipated to be generated by ARMC to fund the remaining debt service lease payment.

STAFFING CHANGES AND OPERATIONAL IMPACT

There is no staffing associated with this budget unit.



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